

**THE BOARD OF EQUALIZATION OF UTAH COUNTY, UTAH**  
COMMISSION CHAMBERS, ROOM 1400  
OF THE UTAH COUNTY ADMINISTRATION BUILDING  
**Tuesday, July 28, 2015 at 1:00 P.M.**

**PRESENT:** COMMISSIONER LARRY A. ELLERTSON, CHAIR  
COMMISSIONER WILLIAM C. LEE, VICE-CHAIR  
COMMISSIONER GREG GRAVES

**ALSO PRESENT:**

Dianne Orcutt, Attorney's Office	Mark Nelson, Attorney
Burt Harvey, Clerk/Auditor's Office	Clarissa Reeve, Assessor's Office
Sandy Nielson, Clerk/Auditor's Office	James Young, homeowner
Diane Garcia, Assessor's Office	Chere Young, homeowner
Raphael Millet, Recorder's Office	Allen Ashe, Thanksgiving Point Institute
Peter Jeppsen, Assessor's Office	Louis Crandall, Crandall Historic Printing Museum
Dan Hone, Crandall Historic Printing Museum	Louis Crandall Jr., Crandall Historic Printing Museum
Vicky Westergard, Clerk/Auditor's Office	

Commissioner Ellertson welcomed all present and the meeting began at 1:02 P.M.

**1. APPROVE THE MINUTES OF THE BOARD OF EQUALIZATION MEETING HELD ON JUNE 30, 2015.**

Commissioner Ellertson asked for the word "welcome" be corrected to show "welcomed".

**Commissioner Graves made the motion to approve the minutes of the Board of Equalization for June 30, 2015. Commissioner Lee seconded the motion and carried with the following vote:**

<b>Aye:</b>	<b>Commissioner Ellertson</b>
	<b>Commissioner Lee</b>
	<b>Commissioner Graves</b>
<b>Nay:</b>	<b>None</b>

**2. APPROVE ASSESSOR INITIATED APPEALS APPROVAL REPORT, REPORT DATE: 6/9/2015.**

**Commissioner Lee made the motion to approve Item No. 2 on the agenda as stated. Commissioner Graves seconded the motion and carried with the following vote:**

<b>Aye:</b>	<b>Commissioner Ellertson</b>
	<b>Commissioner Lee</b>
	<b>Commissioner Graves</b>
<b>Nay:</b>	<b>None</b>

**3. APPROVE OR DENY INITIAL EXEMPTION FOR CRANDALL HISTORIC PRINTING MUSEUM, SERIAL NO. 05:026:0018.**

Commissioner Ellertson asked if the ownership had been put back into the museum's name. Louis Crandall, Jr. explained everything was put back in Crandall Historic Printing Museum name and out of the trustee name. Commissioner Graves disclosed he is not related to the Crandall's, but he knew them very well. He disclosed he had spoken to them about this agenda item. Dianne Orcutt explained statute reads they would only be eligible from the time the property was put back in the museum's name. Louis Crandall, Jr explained why the property was taken out of the museum's name. He said it was done on the advice of an attorney who didn't realize it would take it out of the County's exemption. He added that it took them almost 2 years to figure that why they had to pay taxes now. He continued stating the museum's main problem is a lack of income. Due to his dad's health, he said he took over as trustee of the museum. Dan Hone explained his history with the museum as Chairman of the Board. He committed to the commissioners that he would take care of filing the papers each year as long as he is able. Commissioner Graves added the Crandalls came to the Treasurer's Office about the delinquent taxes and were told to not pay the taxes, but to go fix this. They have been working with the attorney's office for the last few months to find out how the title needed to appear. Louis said he came in to pay it and the

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Assessor said to my father to not pay it now, but to get it figured out because the county was are not going to take his building. That is when we found all of the problems and realized we needed to refill out all of the applications. It was an error on my part and the attorney's part for not realizing what we had done. Commissioner Lee said he would have a problem with the Assessor saying to not pay a bill. He said he understood how a mistake could have been done, but justice and mercy needed to be balanced. He explained he was concerned with going from zero to \$5,600 and wondered if there was somewhere been zero and \$5,600 they could pay. Louis didn't answer but countered by saying the problem is the museum hasn't changed at all. It has always been a 501(3)(c) with the IRS. It has always been a nonprofit. Nothing has changed in the past 18 years. He explained how the attorney suggested they put the property back in his mother's trust. He said if the museum has to pay \$5,000 that may be the last fumes of the printing museum. He asked for some leniency because he didn't want his father to borrow any more money. He reiterated that the property was not put into a personal name for personal gain. He said they are still trying to run it as a volunteer museum. He mentioned how the LDS Church would like to see missionaries run the building but can't as there is a debt on the building. He said even if the tax was \$1,000 that could keep the light bill from being paid. He again asked for leniency. Commissioner Lee said that is why he asked if there was a balance between zero and \$5,600 to give some offset to the tax bill instead of looking for complete leniency on it. Louis countered he still thought since nothing had changed they should be granted leniency. He described how the museum is close to closing and were looking for some way to keep it open. When asked if \$500 would be too much, he said he would have to have to pay it personally. Commissioner Graves said where he doesn't struggle with it is, the County gave several million dollars to Thanksgiving Point for the Curiosity Museum. Commissioner Ellertson asked to continue this one month so he could do some research on a solution. Commissioner Lee explained his dilemma is he sees the value of the museum, but there are ordinances, statutes and laws that need to have balance.

Louis explained how they had been working with the Attorney's Office for the last three months to make sure everything was okay. He didn't think they needed to continue this one month. He continued stating there is a bank waiting for this balance to be taken care of or paid. He said he and his sisters could try to come up with some money and pay the \$5,600.

Commissioner Ellertson said he was trying to take care of Commissioner Lee's concern. He said the challenge is technically, the law says when it was out of the museum's name, it couldn't get the exemption. Louis countered saying as he saw it, we found it was okay that it wasn't in the museum's name. He said you could run a museum out of a person's home or business. He continued saying the county's attorney has agreed that was true. Dianne stated that is not what she understood from talking to Dave Shawcroft. Commissioner Graves said he thought Dave was saying it was okay to apply for this year. Dianne said we would then prorate the taxes for this year from when the name changed. Dianne continued saying it was okay to vote for an initial exemption going forward from date the name changed, not for the previous taxes but going forward. Louis said if he didn't think we could go back, we wouldn't be here today. Commissioner Ellertson replied to Louis that if there was something we could do, he would volunteer personally to go with them or have conversation with the bank. Louis said a letter from the commission to the bank saying this would be continued one month would be okay. He stressed that they could not have the bank "call" the loan or the museum would close.

Burt stated they should qualify for the 2015 exemption, but if the commission would like to look at a way to abate the taxes that were previously charged, then that is a separate process that would be handled by the Board of Commissioners and not the Board of Equalization. He said that is a separate application that could be considered later on. When Commissioner Ellertson asked for which year was this application? Burt said it was only for 2015 starting when the ownership was corrected in March. That would grant them a property taxes exemption based on the charitable, or religious or educational purposes starting in March. Prior to that when the property was in the name of the trust, there is a separate process to have those taxes abated through the Commission. Commissioner Ellertson said that was what he was headed for. Commissioner Ellertson said they could go through

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with voting on this action without delaying it. The 2014 and 2013 taxes are outstanding and would need to go to the Board of Commissioners on that. Burt said it would be 2013, 2014 and the beginning of 2015 taxes.

**Commissioner Graves made the motion to approve to the Initial Exemption for the Crandall Historic Printing Museum for 2015 as stated. Commissioner Lee seconded the motion and carried with the following vote:**

<b>Aye:</b>	<b>Commissioner Ellertson</b>
	<b>Commissioner Lee</b>
	<b>Commissioner Graves</b>
<b>Nay:</b>	<b>None</b>

**4. APPROVE OR DENY INITIAL APPLICATION FOR EXEMPTION FROM PERSONAL PROPERTY TAX FOR THANKSGIVING POINT INSTITUTE, INC., PERSONAL PROPERTY ACCOUNT NO. 90645 (Continued from the June 30, 2015 meeting.)**

Burt Harvey reminded the commissioners that this is a personal property account that they separated out from their main personal property account so it can be listed as exempt for the Museum of Natural Curiosity. It was filed timely because it was filed within 30 days after creating the account. Discussion occurred on whether or not this exemption would be prorated or for the entire year. Allen Ashe attended the meeting.

**Commissioner Graves made the motion to approve the initial application as stated in Item No. 4. Commissioner Lee seconded the motion and carried with the following vote:**

<b>Aye:</b>	<b>Commissioner Ellertson</b>
	<b>Commissioner Lee</b>
	<b>Commissioner Graves</b>
<b>Nay:</b>	<b>None</b>

**5. APPROVE OR DENY NEW APPLICATION FOR PRIVILEGE TAX EXEMPTION FOR CLAY M LISTON, SERIAL NO. 21:032:6402, HANGER #22. (Late application accepted on 5/26/15, continued for approval) (Continued from 6/30/15).**

Commissioner Ellertson explained the tax returns that came with the application were redacted. He said this hanger was not used for business use. Burt replied the documentation he provided does not show it was not used for business use as was requested. He described how some planes are registered to an LLC and the rental costs is listed as a business expense. Because the information was redacted on the income tax return, he said, we are not able to determine whether or not the hanger is listed as an expense.

Peter said he had been in contact with Mr. Liston. He said he told him he would push to get his late appeal through but Mr. Liston would have to file the things the auditor's office requested. Peter stated he didn't think Mr. Liston was willing to do that. Peter continued stating he didn't think Mr. Liston would provide any more information. Sandy Nielson added she had contacted Mr. Liston about him providing the same redacted information and told him the exemption might not be granted if he didn't provide the requested information. Peter said he talked to him also about it. Burt explained other applicants for the privilege tax have provided this documentation for the past 3 years. Social Security numbers can be redacted but relevant information cannot be redacted. Commissioner Ellertson asked for the amount of taxes. Peter said he thought Mr. Liston had paid the back taxes and just owed for the current year. Commissioner Ellertson commented he didn't want to be punitive as Mr. Liston honestly believes it's not taxable. He asked if the County had been taxing this hanger. Burt answered we had been taxing it for the last 5 years. It was on the May tax sale this year which is what started the conversation in the first place. He went on and described how these hangers were pulled from the May tax sale. Commissioner Graves asked could an exemption be granted if they do not complete the entire application. Burt

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answered that was up to the commission. Commissioner Ellertson commented the only thing he didn't supply was the evidence showing he wasn't deducting it as a business expense. Peter said the taxes were paid through 2014.

**Commissioner Lee made the motion to deny the new application based on the information that was presented to the commission. Commissioner Graves seconded the motion and carried with the following vote:**

<b>Aye:</b>	<b>Commissioner Ellertson</b>
	<b>Commissioner Lee</b>
	<b>Commissioner Graves</b>
<b>Nay:</b>	<b>None</b>

**6. ACCEPT OR DENY NEW APPLICATION FOR PRIVILEGE TAX EXEMPTION FOR BILL CHANEY, SERIAL NO. 21:032:6419, HANGER # 17-10, RECEIVED AFTER DEADLINE OF MARCH 1, 2015.**

Commissioner Ellertson said his question was on the income tax return there is an item of \$1867 that shows as a deduction. He continued saying he didn't know what it was because it was a lump sum. He said we would need the details on it. Burt said he thought it would be wise to continue this item for one month.

**Commissioner Graves made the motion to accept the new application as stated in No. 6. Commissioner Lee seconded the motion and carried with the following vote:**

<b>Aye:</b>	<b>Commissioner Ellertson</b>
	<b>Commissioner Lee</b>
	<b>Commissioner Graves</b>
<b>Nay:</b>	<b>None</b>

**7. APPROVE OR DENY THE APPLICATION FOR EXEMPTION FROM PRIVILEGE TAX FOR BILL CHANEY, SERIAL NO. 21:032:6419, HANGER # 17-10.**

**Commissioner Graves made the motion to continue Item No. 7 for one month. Commissioner Lee seconded the motion and carried with the following vote:**

<b>Aye:</b>	<b>Commissioner Ellertson</b>
	<b>Commissioner Lee</b>
	<b>Commissioner Graves</b>
<b>Nay:</b>	<b>None</b>

**8. APPROVE OR DENY APPLICATION FOR UTAH COUNTY RESIDENTIAL PROPERTY EXEMPTION FOR SANDRA HATCH WRIGHT, SERIAL NO. 48:176:0010 FOR THE YEAR 2015.**

Clarissa Reeve said this property was purchased in the middle of June. The county made it secondary because the previous owner had multiple residences in Utah County. She said the owner lives there. So, there is no reason to not approve the exemption.

**Commissioner Graves made the motion to approve the application as stated in Item No. 8. Commissioner Lee seconded the motion and carried with the following vote:**

<b>Aye:</b>	<b>Commissioner Ellertson</b>
	<b>Commissioner Lee</b>
	<b>Commissioner Graves</b>
<b>Nay:</b>	<b>None</b>

**9. APPROVE OR DENY APPLICATION FOR REVIEW BY BOARD OF EQUALIZATION OF FARMLAND ASSESSMENT ACT STATUS FOR JIM & CHERE YOUNG, SERIAL NO. 49:711:0005, GB ACCT. NO. 362-2015 (Continued from 6/30/2015).**

Jim Young explained he was to get animals on the property for 2015. He said Scott Day, who owns the O. Day Farm and Dairy, has agreed to put animals on the property and teach them how to raise livestock. At his request, we put in a corral, stables and a place to store hay. Today, he is delivering the animals. Commissioner Graves

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asked if the quantity of animals would meet the AUM requirements. Commission Ellertson asked if there was production in 2013. Commissioner Graves replied that was in debate, but there was video proof to him of that. At this point, Diane Garcia presented to the commissioners, Mr. Young, and Dianne Orcutt copies of Utah State Code. She said this Code, 59-2-508(7) says “when you have a lessee there has to be a signed statement from that purchaser or lessee certifying those facts that would be necessary to meet the requirements of Section 59-2-503.” Commissioner Graves added it also says we may grant a waiver. Diane stated she also gave each a copy of a decision by Judge Phan that was where the owner said someone was grazing livestock on his land. He even had an email from that person saying that gave them permission to come on and off of the property. The Judge’s decision, on page 4, said “Further, the property owners have not shown that the accidental grazing of someone else’s cows complied with the requirement under Utah Code Section 59-2-503, that the land must actively be devoted to agricultural use defined by Utah Code Section 59-2-502(1) for it to be in agricultural use that produces 50%”. Diane said this means we need to know how many days, how many months, and how many livestock were on that property to calculate that amount. Diane continued stating this example of that hearing showed it was denied because that applicant could not provide that. He provided a letter saying they had just let their cows run on the property. That was not enough for the State Tax Commission to grant it. Dianne Orcutt clarified the production should be for 2013 and 2014. Commissioner Graves said they knew 2014 had none. The debate is on 2013. He said we are using the pictures of sheep grazing to show 2013 production. Dianne reiterated they have to show production for 2013 and 2014. Commissioner Graves said our thinking for 2014 is we are using the year exemption. Diane explained 2014 does not meet the requirements for one year of non-production because the owner has to show it is due to no fault of the owner. She said it is was due to their fault, they chose not to do anything. Their learning curve to be a farmer does not come into consideration for the Farmland Assessment Act. The Farmland Assessment Act is not to train people to become farmers. It is to give farmers the tax break so they can produce our food and fiber.

Commissioner Lee said his concern was last time we tried to find out if there was production in 2013 and he thought they had come to that consensus that had happened. He said then we moved forward to a basis with a task to the individuals to do something to show production this year. Diane said that is why she provided the State Code, to show a photo on a cell phone does not meet the requirement per State Code. Commissioner Lee said he understood that, but we went to a level of understanding on requirements they had to do to get there. We probably should have had this before we got to that level of understanding. Diane said she had quoted the code before. It also had been included in the electronic paperwork. Commissioner Graves said he understood the photo didn’t prove yield of 50%. To him it provided evidence contrary to when the guy said the sheep weren’t here. It proved him not to be trustworthy or someone who he was going to believe everything they said. These guys proved to me what they said was more in line.

Diane said her issue was these land owners falsified a document. They took someone else’s signature and put it in a document that that person did not sign. She declared: “That is a crime. That is a felony. That does not qualify them for Green Belt.” Commissioner Graves said he understands that bad behavior but there is no excuse for that. He continued saying, however, the rationalization in his own personal mind was the fact that Mrs. Young came back and said the owner won’t agree to that, to please withdraw that letter from her application because he said he wouldn’t sign it. Diane countered saying she provided it with the proof that is presented here. Commissioner Graves said she provided it thinking and letting him know “Hey”, and then he said no. I understand she “put the cart before the horse”. But she also tried to rectify it and let you know on the application before it was due, which is his understanding on that letter. Commissioner Graves said, that is how, for me, I am able to overlook that. “Yes, did she make a lapse in judgement, yes. But, she did everything in her judgement to fix it immediately, to my satisfaction.” He said that is his understanding on that letter.

Commissioner Lee said his worry was he thought they had come to a base level of understanding, but that might be faulty based on the more information he had now. He said we have tasked them to go forward, and they have

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done so. He said he wondered if there was a certain amount of a dilemma as we have asked them to do something to get back to a point. Diane said we have asked them to do that going forward. Their letter stated they might get cows. The next year, they might get chickens. He said Commissioner Ellertson told them they had to do something this year in order to get going. Commissioner Lee said that was correct. Diane said she didn't think that was a guarantee that it would qualify them. But he told them you needed to get going on this. Commissioner Ellertson added saying they needed to get something on it to qualify for 2015. Commissioner Lee said it was his understanding they had to get something moving forward. Jim said based on the hearing last month, they went home and talked to Scott Day of the O. Day Dairy. He said he would teach us. His contingency was that we put in a corral in, put in a stable and a place to store hay because he would provide the animals the hay. We have done that. He is delivering them today. We have a letter from him and picture showing the corral, the stable and the barn to store the hay. Commissioner Lee asked Diane if according to her, this should be denied based on the past. Diane answered yes, based on there is no evidence that they met the agricultural production requirements for 2013 and 2014. She continued saying they can start in 2015 and reapply again in 2017 showing they have met the requirements for 2015 and 2016. Commissioner Graves read from the minutes from June 30, 2015 saying "Commissioner Ellertson continued saying what I think we have to show is you had production in 2013. In 2014 you did not. And in 2015 you did. In order to get the approval for that, and the rollback doesn't affect, he said he thought that all has to be done in a manner which recognizes the 2013 year as having production. He continued saying 2014 does not. Diane explained they allow one year of no production, but there are requirements as to what qualifies that one year." Diane explained one year non-production is qualified when it is not due to the fault of the owner or when there is a bona fide range management program which she said they have not applied for. Commissioner Graves told Diane he was not disagreeing with her. What he understood was we basically came to the consensus as the three of us and said if they could get 2015, we may then going and incur an expense. To me in reading the minutes, they said if you can do this, we are going to grant it. That was the understanding. He continues saying he thought that was the understanding the Young's left with. He added that he did not disagree with what she was saying. He said he thought Commissioner Lee is saying, that was his understanding. He said he wished they had had this (statute) before even though Diane did quote it. Diane said she did provide it in the electronic documents last month.

Commissioner Lee asked if the letter met the criteria on the AUMs. Jim said it would meet the animal units for the year if they are left on from today to the end of the year. If more are needed, he said he would put more on it. Diane said they would need 12 AUMs for the year and four would be enough. Jim said they would continue doing this in the future. He explained what they would continue doing to have cattle on their property. Commissioner Lee said he understood that. He said he thought they had come to an understanding on where they were at. He said it was as much his fault for not reaching more into it. He said he is more concerned with that and allowing them to go forward in finding a resolution to it. He said he would like to see government look for solutions for the citizens as much as possible with and understanding of the obligations to the law. He said if he would have known and understood this all along and correctly, he would be voting differently. But, he said based on where we are at and what we asked Mr. Young to do, he felt it was acceptable to move forward.

**Commissioner Lee made the motion to approve Agenda Item No. 9. Commissioner Graves seconded the motion and carried with the following vote:**

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<b>Aye:</b>	<b>Commissioner Ellertson</b> <b>Commissioner Lee</b> <b>Commissioner Graves</b>
<b>Nay:</b>	<b>None</b>

**10. HEAR 2014 APPEAL FOR DAVID MEYER, SERIAL No. 27:037:0054, PURSUANT TO UTAH CODE SECTION 59-2-1003, TO EQUALIZE THE ASSESSMENT OF PROPERTY. (Commercial)**

Commissioner Ellertson moved the meeting into closed session at 2:01 P.M. to discuss commercial information according to Utah Code.

The open session reconvened at 2:41 P.M.

**Commissioner Graves made the motion to continue Item No. 10 for two months. Commissioner Lee seconded the motion and carried with the following vote:**

<b>Aye:</b>	<b>Commissioner Ellertson</b> <b>Commissioner Lee</b> <b>Commissioner Graves</b>
<b>Nay:</b>	<b>None</b>

**Commissioner Lee made the motion to adjourn. Commissioner Graves seconded the motion and carried with the following vote:**

<b>Aye:</b>	<b>Commissioner Ellertson</b> <b>Commissioner Lee</b> <b>Commissioner Graves</b>
<b>Nay:</b>	<b>None</b>

There being no further business, the meeting adjourned at 2:42 P.M.

The minutes of the July 28, 2015 Board of Equalization Meeting were approved as transcribed on August 25, 2015.

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Larry Ellertson, Chair

ATTEST:

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Bryan E. Thompson  
Utah County Clerk/Auditor

Copies available upon request or online at:  
[www.utahcountyonline.gov](http://www.utahcountyonline.gov) and [www.utah.gov/pmn](http://www.utah.gov/pmn).

Recorded by Vicky Westergard, Tax Administration Clerk